FBIS DAILY REPORT

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GOVERNMENT REPORTEDLY ORDERS 30-PERCENT DEVALUATION

PY011350 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1330 GMT 1 Jun 81

[Text] Buenos Aires, 1 Jun (NA)--A highly reliable source in the economic area has announced that the government has ordered a 30-percent devaluation of the peso beginning today.

The same source confirmed that Central Bank officials, including President Julio Gomez, have submitted their resignations.

Central Bank Suspends Exchange

PY011354 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1342 GMT 1 Jun 81

[Text] The Central Bank has informed all banks and financial institutions of its decision to suspend exchange operations "until further notice."

This morning the Central Bank issued communique no 45/10, which states: "It has been resolved that until further notice no type of money exchange will be carried in the money market. This resolution also affects all houses, agencies and offices devoted to money exchange operations."

New Bank President Named

PY020241 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2245 GMT 1 Jun 81

[Text] Buenos Aires, 1 Jun (NA)--Egidio Ianella has been appointed president of the Argentine Central Bank, replacing Julio Gomez, whose resignation has been accepted.

Ianella was until today president of the National Development Bank (Banade). Manuel Gonzalez Abad, former director of the Sasetru Company and Banade and dean of the economics school of the Argentine Catholic University, has been appointed Central Bank vice president, replacing Martin Lagos.

SPEECH BY ARMY COMMANDER IN CHIEF GALTIERI

PY291838 Buenos Aires Domestic Service in Spanish 1440 GMT 29 May 81

[Speech by Argentine Army Commander in Chief Lt Gen Leopoldo Galtieri on the occasion of Army Day; at the military college in El Palomar, Buenos Aires province--live]

[Text] The Argentine army, our army, was born as part of the fatherland in May 1810, thanks to the creative force of our forefathers who had planned our independence and entrusted it with the historical mission of uniting the nation and being its armed branch.

From then on, joined by other branches, as time went by, in the service of an always respected flag, it has followed a path never crossed by defeat but rather by victory when defending the honor and freedom of its fellow countrymen by firmly wielding the sword and devotedly carrying the cross. Thus, every concern, hope, joy or sadness felt by the Argentines has been fully shared by their army.

When the terrorist criminals attacked the fatherland, the blood of civilian and military heroes and martyrs redeemed the nation in the eyes of God. Ours was the arm which stopped irrational destruction, a fully responsible action which shall be judged by history alone.

We will not allow our actions to be questioned by the very murderers who have now returned from their comfortable exile, or by ideologists who took advantage of school rooms, public offices or news media to play with the life of our youth and who now seek to do the same with their death by touching the strings of their relatives' natural sorrow. Nor will we allow it to be questioned by the advocates of that destruction who, in good or ill faith, are taking advantage of the freedom which those whom they are now defending had sought to eradicate once and for all.

We cannot allow this because they are unable to give life back to our dead, my dead--policemen, privates, border policemen, noncoms, officers and their wives and children, Argentine men and women--who fell prey to that insane fury.

In those sorrowful days of 1976 when public power tottered under circumstances truly critical and significant for the survival of our historical nation, when the situation was much worse than the outward signs of the evil seemed to indicate, when no power was capable of ending the lack of leadership and anarchy, we, together with the other branches, decided freely and responsibly to set the course of the process of reorganization which would take the place of the existing power vacuum.

When we decided to follow this course of action we knew that its implementation would give rise to achievements and mistakes. And we also knew that those who during that 3-year period had restricted themselves to voicing praise or claiming their impotence, would soon become merciless critics of the new government.

But there is one mistake which we did avoid, for we have never believed ourselves to be God-sent and permanent. In view of this and since we have never seen power as an end in itself, we drew up the documents and political guidelines which sealed our commitments to: first, ensure periodic transfer of power and lack of personality cult; and second, return power to the civilians in due time.

Today, I would like to address this institution and the country as a whole to reaffirm this commitment which some people question without really knowing it, a commitment which is in fact a code of behavior which has never been and will never be allowed to be violated.

I am doing this at a crucial moment, that is, the unprecedented transfer of national and provincial governments to new officials in strict compliance with the principles of the process which is taking place without any change in our will to serve the nation.

It is a moment marked by our slanderers' vain attempts at destroying our unity. It is a moment marked by the economic worries which are exploited by those who put their own personal or factional interests before the general interest or well-being.

Thus, I feel it is necessary to reaffirm that our political task, stemming from our staunch will to serve, has been and will be aimed at reorganizing the country. Therefore, we call upon all Argentines to join efforts with the armed forces and to assume their uneluctable responsibility.

Within this framework, the process will again seek dialogue through the executive branch in order to exchange opinions concerning aspects which have to do with the drawing up of of legal instruments capable of guiding the future political normalization of this country. This is tantamount to laying the foundations for a republican, representative and federal democracy. This in turn implies that each party must be essentially democratic and its leaders must have high moral and intellectual standards.

This is a hard task, and we will take all the time we need, because we have decided to avoid an unfortunate leap into the void. Therefore, the ballot boxes have been put into proper storage to be used when the right time comes.

The democracy we want will be a way of life, with responsible freedom based on a concrete system of valid opinions for the attainment of national objectives by following different but legitimate channels. It will never be a support-seeking technique liable to having elections as the final objective.

Lately voices have been rising, calling upon the armed forces to speed up the transfer of power. The men of arms have no desire to indefinitely extend their hold on power, but this transfer will take place only when the conditions are right. For this transfer to be successful and free from the risk of sliding back into chaos, the country will first have to carry out the task of political reorganization.

Let his be understood: whenever the process, completing its step-by-step objectives, is crowned by success--which does not mean attaining consensus, but implies gradually or step by step to prevent tripping over an error that might cause us to fall into an abyss, as well as to give those who move into power a chance to reveal their virtues and faults.

In the face of mounting criticism, which was louder than it was well-founded and more violent than just, other military processes in the last 50 years lost their bearing, and it was thought that there was an electoral solution to the political problems. The history of the successive failures, the consequences of which we are still suffering, left us the bitter but wise lesson not to commit a similar error this time. That is a lesson, but it does not haunt us with fear of ahealthy and definitive political liberalization.

As I speak, I have the serious and profound impression that we are living through decisive years. The avalanche of hatred and violence indiscriminately striking individuals and nations obviates any commentary but forces us to recognize, not without satisfaction, that we were not wrong in March 1976 when we set for ourselves the task of reorganizaing the country on the basis of giving priority to the security of the community and its members.

Declaring today that the decision was correct to respond to murderous violence with all the might of the state, without mistaken leniency or useless sentiments of vengeance, the Argentine Army pays homage and kneels in prayer to God for the recovery of the holy father, who was also a target of this merciless fury.

Because we were then capable of assuming the responsibility to defend freedom and the historic integrity of the nation--the two values at stake--today we enjoy peace, the peace that other nations have lost under makeshift governments, unwitting accomplices, perhaps, to violence and subversion. The peace we enjoy is supplemented by some degree of freedom--despite the fact that our government is branded as authoritarian--which permits Argentines and non-Argentines alike to express their ideas and voice the harshest criticism of the process through the press and the media in a way that would not have been tolerated by the government and system they seem to desire.

We defended the integrity of the nation against the Marxist groups, just as we will against any attempt to undercut our territorial integrity.

We will not sacrifice just for the benefit of a fictitious good neighborliness the inalienable and indisputable rights of our country, because peace secured without honor will be at best just an equilibrium of animosities, and at worst, an unforgivable historical capitulation. But we will open our fraternal arms with our traditional gentility whenever, setting aside expansionist ambitions, we are offered honorable and practical solutions which will defy the passage of time with the blessings of the august mediator, thus fulfilling forever the aspiration to build an American enclave sheltered from common subversive enemies.

In turn we will not agree with those who imply that traditionally friendly countries have hegemonic ambitions, nor will we bow to the hegemonic ambitions of those powers who have gratuitously taken title to property that they have appropriated, even when atavistic geopolitical ambitions are ostensibly clothed in plans for the defense of an area which is our exclusive responsibility.

Neither are we inclined to permit the smallest interference in the search for and exploitation of the wealth of our continental shelf from those who agree to return to us islands which are Argentine by historic heritage and legitimate right.

Nobody can say that we have not been levelheaded and extremely patient in dealing with international problems which were not created by our territorial ambition. After 1 and 1/2 centuries, however, such problems are less and less bearable. Therefore, the mission-conscious Argentine Government has affirmed its presence wherever that presence became necessary to fill empty spaces and, together with the navy and air forces, it has made its presence felt throughout its territory to affirm the geopolitical significance of its actions as a guardian of national borders and the armed branch of the nation.

I do not want to close without expressing some thoughts which, with sincere and absolute modesty, I hope will be analyzed, criticized and developed to enrich the pool of ideas which each citizen out of government, in government or aspiring to the government must nurture.

First: I am convinced that this generation of Argentines is capable of reaffirming the invariable preamble of the national constitution. Consequently, we must consolidate a firm foreign policy which will serve the cause of becoming a great nation.

At the same time, we must recognize that austerity and a spirit of service in the government and the administration can be and will be demanded, and that the condition, origin or situation of any person will not be an obstacle to his being submitted to administrative or judicial actions.

In this sense we feel free from the lust for power and utterly committed to responsibility for leadership, a responsibility which has become the crowning thought and the guiding force of the government, which is capable of accepting this austerity and making the rule that neither permissiveness nor indulgence are appropriate means for obtaining the public support which is required at this stage of constructive participation. Nothing valid or legitimate could be founded on the basis of glib praise or degrading populism.

Second: A great effort of imagination and faith is necessary to overcome the circumstantial economic difficulties. It is not a question of working harder, of unemployment, of increasing or lowering salaries, or of the indiscriminate paralysis of public projects or state operations. It is a question of overcoming individual pettiness, of demanding decency, of working to guarantee one's own well-being for the benefit of the country.

It is a question of getting a positive response from all sectors, including the public sector, and of curbing the unbridled lust for material wealth that gives rise to speculation, to the flight of hard currency, to the lack of productivity and to usury.

This task which lies ahead of us implies going back to the healthy habits of our best native tradition, in which one's word and simple lifestyle were worth more than a check or an IOU, and God was thanked for our daily bread, that is: a return to honorable business habits, without the existence of wealthy businessmen at the expense of bankrupt enterprises, without despoiled industries whose closure brings despair to their workers, without men of finance who transfer their capital abroad and later complain about their economic problems or call upon the state for a magic-wand solution.

Third: We must persevere with the education of our sovereign people--a task worth announcing from here at the military college founded by Sarmiento, and worthy of us parents, teachers and men of good will--in the fields of politics, university affairs, journalism, unionism, religion and military matters.

Youth must be educated with affection and respect but without useless indulgence or demagogic promises of participation without need for prior effort. They must be educated within the framework of republican feelings and political responsibility so as to increase civic awareness in order to inure the youth against demagogery and reawaken the forgotten principle of compliance with the constitution, applicable not only to the leaders, but also to those who want and should participate in the political life of the nation.

The nation is entitled to exclude organizations and men who have attacked or are attacking its lifestyle, especially those who seek to merge its citizens into a mass by renouncing education as the means for instilling dignity into the individual and by advocating materialism and consumerism, which cannot be the vital sign of our historical position.

Those individuals or groups who fail to understand this and seek to resurrect long-dead myths and obsolete ideas will merely delay the implementation of a new political and social system which is essential for the nation and necessary to good citizens. The men and organizations who believe in a noble and great fatherland will be entrusted with building the nation's future.

The nation is responsible for selecting truly honest and firmly austere men for public office. This is an example which our founding fathers set for us and which now seems to have been forgotten after half a century of bureaucratic comforts.

Through austerity, the hindrances which have prevented the nation's economic development will disappear. These hindrances are the almost unbridled expenditures incurred by the state and its enterprises, and their consequences, such as insatiable fiscal hunger and tax evasion, which, in many cases, are encouraged by the very persons responsible for tax collection.

All this will help restore hope to those who, without being guilty of any of these evils, are blameless victims who suffer from the consequences to their assets, their work and their public offices, or who become targets of criticism from sources who know nothing about their efforts and the risks they have had to run during the years of the process.

We must implement solutions.

I ask God to provide us with a clear path for thoughts and actions in order to end a speculation-based economy so as to allow all of us Argentines to work together legitimately in turning out goods capable of furthering individual and overall progress.

Should these thoughts of mine, voiced by way of a general call, receive the widespread acceptance which I seek, the false rumors, the political chicanery, the bias, the groveling ladder-climbing, the attempts at breaking apart what cannot be broken and of setting men and institutions against one another and even the overblown expectations of the fools, will grow smaller as Argentines decide to join in the common task with faith and trust in themselves and their institutions.

As I said when I took over as commander in chief of the army on 28 December 1979: Together, with the help of God, the Argentines will make their political desire of building a great nation in peace come true.

In the light of my own firm desire in this direction, I demand from the Argentine army: obedience and courage.

FOREIGN MINISTER ON RELATIONS WITH UNITED STATES

PY011919 La Paz Radio Illimani Network in Spanish 1700 GMT 1 Jun 81

[Text] The process aimed at normalizing the relations between the United States and Bolivia is at the level of negotiations between the two governments, negotiations which are being conducted confidentially, Bolivian Foreign Minister Mario Rolon Anaya said today. The foreign minister also categorically refuted rumors about his impending trip to the United States.

[Begin Rolon recording] [Passage indistinct] obviously confidential negotiations in keeping with (?diplomatic) usage. This does not mean that we will not release whatever information must be released after this is authorized by the two countries.

However, we will always be very prudent. Therefore, we cannot release all the details of the documents or the negotiations without the approval of the State Department and the expressed permission of the Bolivian Government. [end recording]

Minister Rolon Anaya indicated that the position of the Bolivian Foreign Ministry toward the normalization of diplomatic relations with the United States was clearly established in the communique released this weekend through various news media.

[Begin Rolon recording] We issued a communique on Saturday--just 24 hours ago--giving a full summary of the situation, in which we have used terms approved by the State Department. So far we have had no news. I am sure that we will have some information coming from Washington very soon. [end recording]

Nevertheless, the journalists insisted on being told the exact date when the U.S. Government will answer Bolivia's proposals. The foreign minister refused to provide a deadline on the grounds that it was not up to the Bolivian Foreign Ministry alone, since the negotiations were bilateral.

[Begin Rolon recording] Because of the serious nature of the negotiations and the prudence inherent to the foreign service and the tasks of the Foreign Ministry, we have always avoided giving specific times and dates. We have said so many times from a purely constructive point of view. We are awaiting the results. The Foreign Ministry stated its position in a communique released yesterday and in the short time that has elapsed there have been no new developments, (?nor will there be) until we receive a final agreement from Washington capable of giving us the final guidelines. We do not know whether this will take place in the next few hours or in the next few days. We are as concerned as anybody else in having things move along as fast as possible. [end recording]

BANZER INTERVIEWED IN ARGENTINA BY BRAZILIAN PAPER

PY011947 Paris AFP in Spanish 1503 GMT 1 Jun 81

[Text] Sao Paulo, 1 Jun (AFP)--The armed forces forced General Garcia Meza to announce his resignation, former Bolivian President Hugo Banzer has said.

In an interview published today by the Brazilian newspaper VEJA, Gen Hugo Banzer, who is currently in exile in Argentina, said that it is naive to believe that General Garcia Meza might have decided to resign just because he grew tired of power.

Banzer stated that Garcia Meza's situation was becoming unbearable and that the armed forces reacted against him and some of his aides. This was due to the proven irregularities in which they were involved and which were reaching alarming proportions.

He added: Thus the above action should not be construed as being contrary to the spirit of the armed forces but as a process directed against persons who were unable to perform the mission entrusted to them with dignity.

General Banzer conveyed his desire to return to Bolivia and noted that the next president will be an officer who is different from Garcia Meza, that is, he will be "an honest, clean, respected and just man."

Banzer said he has not maintained contacts either with Lt Col Emilio Lanza, who attempted to oust Garcia Meza's government, or with any other military officer because he does not want to be labeled as a coup plotter or a conspirator. Banzer said he does not want to go down in history as a conspirator, as a coup plotter. He made it clear that he is a soldier who learned politics and who believes that what has been done thus far in his country is wrong.

General Banzer criticized the participation of paramilitary groups within the structure of the current Bolivian Government. He said these groups are unnecessary since they are only good for stealing, robbing and for further precluding the people from participating in the country's political process.

Banzer said that it is absurd to conceive that a government would avail itself of these types of men, who are adventurers and thieves, to provide for its defense. He added that the country is now experiencing a critical situation because it is completely paralyzed and isolated.

Banzer concluded by dismissing the possibility of an election being called to take Bolivia out of the deadlock it is experiencing. He advocated the unification of all political forces with the armed forces because, in his opinion, Bolivia should not fall again into the hands of inept, incompetent people.

ARMY COMMANDER CALLS FOR BROAD NATIONAL CHANGES

PY011556 Paris AFP in Spanish 1711 GMT 31 May 81

[Text] La Paz, 31 May (AFP)--Gen Humberto Cayoja Riart, new commander in chief of the Bolivian Army and possible successor to President Luis Garcia Meza, stated today that an urgent and total innovation in all political, economic and social structures which rule the country is essential.

The statements of the new army commander seem to be a new political platform coming only 48 hours before an important meeting to be held by the commanders of all units of the Bolivian military institutes, who will analyze the country's political future and possibly determine who will become the next Bolivian president on 6 August.

General Cayoja added: We Bolivians cannot do without political parties since they are destined to represent the national opinion, but sound politics demand serious and responsible parties, therefore I do not agree that all political parties should exist at present.

He added that we need a democratic system, but an orderly democracy which will not be mistaken as licentiousness and anarchy and pointed out: We need a strong government within a democratic framework, supported by the law, the state's political institutions and the population.

General Cayoja asserted that, firstly, it is the armed forces' responsibility to achieve the well-being of Bolivian society through political innovation, and stated that, secondly, the nation's objectives should be the defense of sovereignty, independence and territorial integrity and the integral development of the Bolivian man.

The commander in chief of the Bolivian Army believes that there should only be one chamber of representatives and that the president should delegate all those tasks which he has no reason to carry out and devote his time to the most important national problems.

He then stated that the judicial branch also needs to be renovated since justice at present is handled by the executive branch through the Interior Ministry under secretary.

He ended by stating that the current phase is one of organization since a new state political constitution is under study, and added that other phases which include the people's direct participation will come later on.

TWO CANDIDATES FOR PRESIDENCY FOR NEW CONSTITUTION

PY011905 Buenos Aires LATIN in Spanish 1720 GMT 31 May 81

[By Juan Javier Zeballos]

[Excerpts] La Paz, 31 May (LATIN-REUTER)--Two high-ranking military officers, who are considered possible candidates to replace Gen Luis Garcia Meza as Bolivian president, have declared themselves in favor of the drawing up of a new political constitution for Bolivia. Gen Humberto Cayoja, commander in chief of the army, and Gen Lucio Anez, army chief of staff, made political remarks on what, in their opinion, should be done in the country.

Gen Humberto Cayoja voiced his opinion to the newspaper PRESENCIA of this city, while General Anez made his statements to the newspaper LA PRENSA of Santa Cruz, where Walter Antezana yesterday assumed the command of the important 8th Military Division of that eastern Bolivian department.

According to Anez, the country, in addition to a new political constitution, needs to engage in a phase of democratic opening after the necessary judicial reforms to reestablish democracy in the country are carried out.

Anez also stated that although the Bolivian economic situation is delicate, the country's financial problems are neither desperate nor difficult to solve if immediate measures are adopted. Anez agreed that the drawing up of a new state constitution should be done through a constituent assembly. He coincided with cayoja in stating that the law on political parties should be rewritten.

The political remarks of these two military chiefs and of others will presumably be discussed during the meeting of commanders to be held in 2 days.

BANK OFFICIALS RETURN FROM SOCIALIST COUNTRIES

PY261414 La Paz Radio Illimani Network in Spanish 1130 GMT 26 May 81

[Text] Officials of the Mining Bank of Bolivia, BAMIN, who visited the USSR, Poland and Czechoslovakia, have returned to the country after meeting with spokesmen of those governments on bilateral agreements signed with our country.

The BAMIN delegation was headed by General Manager Capt (Waldo Nava Lopez), who explained that the trip was made in relation to the bank's operational requirements and to discuss matters of an administrative and legal nature, to see if the agreements are justified.

In 1973, the Bolivian and USSR Governments signed a trade agreement by which BAMIN received machinery, vehicles, equipment and materials through low interest rates and long range credits to help the effective operation of private mines. In view of the fact that BAMIN was running out of several articles, the bank's executives contacted their suppliers to solve the supply problem outlined in the contract and to set the basis for new contracts in accordance with BAMIN's 1981-82 operations plan.

The results of the negotiations carried out with the governments of the socialist countries will be submitted to the government's appropriate organizations and then released to the press.

ALLENDE NOT ALLOWED TO RETURN BECAUSE OF CAMPAIGNS AGAINST CHILE

PY291144 Paris AFP in Spanish 0207 GMT 29 May 81

[Text] Santiago, Chile 28 May (AFP)--It was reported here today that the Chilean Government did not allow former legislator Laura Allende--who committed suicide last Saturday in Cuba--to return to Chile because of her constant campaign against Chile abroad.

In a statement issued today the Government Social Communications Agency [DINACOS] notes that after leaving Chile on 22 March 1975, the former social legislator promoted the establishment of special commissions at the United Nations to hinder relations with Chile.

DINACOS also charged that Laura Allende carried out constant negotiations of the most varied nature in several countries so that they would break relations with the government headed by President Augusto Pinochet, and from Cuba she continued to promote an international campaign against her country.

DINACOS noted that in 1974 officials confiscated armaments, Marxist propaganda and MIR (Movement of the Revolutionary Left) documents from her home.

DINACOS noted that Laura Allende had requested authorization to return to Chile, but that this was impossible because of her background.

Laura Allende, sister of the late socialist President Salvador Allende, who was ousted by a military coup in 1973, suffered from cancer. On several occasions she had requested authorization from the Chilean Government to return to Chile so that she could die in her country.

EL TENIENTE COPPER MINE WORKERS TO END STRIKE

PY011424 Santiago Chile Domestic Service in Spanish 1100 GMT 1 Jun 81

[Text] The workers of El Teniente copper mine have accepted the company's proposal and decided to go back to work.

Five of six workers unions, comprising approximately 5,200 workers, have agreed to the company's latest proposal and according to Guillermo Medina, president of El Teniente unions, the agreement will be signed at 1600 today. The leader pointed out that the workers will return to work after having maintained the rights acquired through their previous contract.

In its latest proposal, the company offered a 2-percent wage increase over the consumer price index and other benefits such as a compensation bonus.

The Sewell and Minas Union, comprising 3,876 workers, is the only union to reject the company's proposal.

The members of the five unions which will sign the collective agreement should return to work in 4 days time.

The strike at El Teninete mine has lasted 40 days.

BRIEFS

GREEK AMBASSADOR ENDS TOUR--Today Greek Ambassador Vasilios Vitsakis said goodbye to President Pinochet since he has ended his tour in this country. [Santiago Chile Domestic Service in Spanish 0000 GMT 29 May 81 PY]

PRESIDENT CRITICIZES NICARAGUA, UNITED STATES

PA011933 Madrid EFE in Spanish 1606 GMT 1 Jun 81

[By Libardo Aguirre Saenz]

[Text] Bogota, 1 Jun (EFE)--Colombian President Julio Cesar Turbay has decided to remain silent about the maritime conflict with Venezuela, but has, in turn, harshly assailed Nicaragua and the United States. During a speech he delivered Sunday in Puerto Carreno, a locality on the border with Venezuela, Turbay said that "we have persistently pursued a policy which consists of proclaiming our advocacy of peace and progress."

His statements were taken as a clear allusion to the issue of the undocumented Colombians living in Venezuela. He did not refer, however, to the stalemated talks on the marine and submarine areas. Hours earlier in Bogota his foreign minister, Carlos Lemos Simmonds, had said the solution could well be left in the hands of the pope if Colombia and Venezuela agree to settle the matter this way.

Meanwhile, Turbay harshly attacked the Nicaraguan Government over the weekend because of its insistence on demanding sovereignty over the Roncador and Quitasueno Cays and the islands of San Andres and Providencia, which are part of Colombia by virtue of a treaty signed years ago.

Turbay said Colombia does not need to train an army of 100,000 men (as Nicaragua has said it is doing) but simply to resort to reason and the laws, which support Colombia.

Referring to the United States, he said that "tensions in the Caribbean are largely due to U.S. hesitancy in approving the treaty," that is to say, the treaty of 1971 which recognizes Colombia's sovereignty over those cays, but which the U.S. Congress has yet to ratify.

Turbay reiterated in Puerto Carreno (on the border with Venezuela) that "the borders must not be places sown with cannon where relations between countries can be characterized by the ferocity with which their children fight one another."

"On the contrary," Turbay said, "[they must be sown] with the cordiality that should unite us. We have always said that we do not see borders as dividing lines, but as lines uniting countries with a common destiny. This stems from the early days of our emancipation and must continue until we achieve the full development of our nations."

He added that "however, we are in no way preachers of hatred. We are not adopting confrontation positions and we have not come to the border to defiantly assert our sovereignty, but rather to tell our neighboring country (Venezuela) that we want them to treat our compatriots with the same cordiality with which we treat theirs."

TURBAY APPEALS TO AREA NATIONS TO UNITE EFFORTS

PA020327 Bogota Domestic Service in Spanish 1730 GMT 1 Jun 81

[Excerpts] President Julio Cesar Turbay Ayala today appealed to the governments of the continent to unite efforts and cooperate more closely to defend democracy, which he said is unique and indivisible. The president spoke at noon today at the Bogota Military Academy at a ceremony in which a new class of army officers took their oath. Dr Turbay Ayala said, among other things:

[Begin recording] On this day in which the military institutes turn out another class of graduates to serve the republic, it is timely to make observations, not only regarding our fatherland, but also regarding the essential tasks being assigned to those who voluntarily have assumed the responsibility of defending the institutions established within the framework of the constitution and the law.

The present world is characterized by tremendous tensions, some of which stem from factors not easily controllable by the will of those persons with responsibilities for direction while others are artificially manufactured to create tension and to provoke difficult situations between the two superpowers that dispute universal domination.

[Words indistinct] an (?exhortation) to the democracies of Latin America, particularly those of us concerned with the process developing in the Caribbean and Central America, to strengthen our unity, to daily make more operational the cooperation among the forces that have the high obligation of defending democracy on this continent, which has been a continent of peace, of liberty, with exceptions of course, which precisely (?confirm) the rules. But we must now channel all our energies to prevent the scourge of theories that are contrary to decency and the very nature of our nationality from (?undermining) the social discipline of our peoples, from converting them into the scenario of murky fratricidal and classist battles.

That is why the soldiers of the fatherland at this moment have a double responsibility: that of being ready at any moment, as the oath you have just taken states, to offer their lives for the values they have vowed to defend and also to offer them in defense of democracy, which is to say, of liberties and social justice.

I hope this appeal I make to the governments of the Andean subregion and [word indistinct] of the continent, will not be lost in empty space or become a new thesis, but a reality. Let the determination of a group of peoples who love liberty, who have a common liberator, a common destiny, to march united toward the conquest of the future, to improve the land of our children and the children of our children, be known. [end recording]

LEMOS REAFFIRMS RIGHTS OVER CARIBBEAN CAYS

PA301318 Bogota Cadena Radial Super in Spanish 2330 GMT 29 May 81

[Text] Colombia today again rejected the possibility of a dispute with Nicaragua over its sovereignty over the archipelagos of San Andres and Providencia in the Caribbean.

Categorical statements to this effect were issued by Foreign Minister Carlos Lemos Simmons, referring to a report from Managua to the effect that the Sandinist government had asked the United States to recognize its sovereignty over those territories.

By all means, Nicaragua is within its rights to send communiques to Washington, Minister Lemos Simmons said, but Colombia is absolutely certain of its rights over San Andres, Providencia and the adjacent cays. Its sovereignty there is so unquestionable that any legal action over those territories will not succeed because international law is in our favor.

BRIEFS

NEW AMBASSADOR TO PANAMA--Bogota, 27 May (EFE)--Luis Ordonez, a former general, has been appointed new Colombian ambassador to Panama to replace Libardo Lopez Gomez, who has resigned. [Madrid EFE in Spanish 2236 GMT 27 May 81 PA]

ECUADOREAN TROOPS REPORTEDLY NEAR BORDER

Senator Cites Concentrations

PY011702 Paris AFP in Spanish 0130 GMT 1 Jun 81

[Text] Lima, 31 May (AFP)--Large concentrations of Ecuadorean troops along the northeastern border with Peru were reported in the Senate today and the Senate then held a secret session to discuss the matter.

The report was made by Senator Pedro del Castillo, member of the progovernment party Popular Action. Senator Castillo quoted reliable sources, which he did not want to disclose in public, and said that Ecuador is concentrating roops on the western slope of the Condor Mountain Range where clashes between the troops of the two countries took place earlier this year.

Castillo said that Ecuador is also building a heliport in the area and that Ecuadorean troops outnumber four to one those which Peru has in the border zone.

He added that this contradicts the agreement to seek a relaxation which the two nations had reached as a result of the mediation conducted by Argentina, Brazil, Chile and the United States, the guarantor countries under the Peruvian-Ecuadorean border treaty in 1942.

It has been reported that during its secret session the Senate agreed to relay Castillo's report to the War and Aeronautics Ministries. Today the Senate held a special session to close the 1981 legislative period.

President Belaunde Terry, when asked about the remarks of the former foreign minister, (ret) Gen Edgardo Mercado Jarrin, that the cease-fire has not been favorable to Peru, said that the subject is of constant interest but that this is not the right time to discuss it because of Ecuador's recent loss of President Jaime Roldos. "Peru wants to keep peace and harmony with Ecuador, however it cannot but feel concerned over that country's attitude," Belaunde said.

Admiral Unaware of Troops

PY012224 Paris AFP in Spanish 2130 GMT 1 Jun 81

[Excerpts] Lima, 1 Jun (AFP)--Vice Adm Juan Egusquiza, president of the Armed Forces Joint Command, said today that the population should remain calm because the Condor Mountain Range--bordering Ecuador--is well protected by Peruvian troops.

Egusquiza made this statement when asked about the announcement Senator Pedro del Castillo made here yesterday, that there is an alarming concentration of Ecuadorean military on the Ecuadorean side of the mountain.

The president of the Armed Forces Joint Command said this morning that he does not know the details of the senator's report, but that 15 days ago he flew over the eastern side of the Condor Mountains and did not see anything.

He said that the joint command would like to know where the concentration is coming from and its location. He said that he would like to know the origin of the senator's information, information which the senator said was from reliable sources.

Admiral Egusquiza said in conclusion that an infiltration of Ecuadorean troops has not been detected and that the country should remain calm because its armed forces are protecting the guard posts and ready to defend the national sovereignty.

BRIEFS

CHILEAN JOINT AIRCRAFT VENTURE--Lima, 26 May (LATIN-REUTER)--During a press conference the Peruvian Air Force commander, Gen Hernan Boluarte, disclosed the possibility of Chile and Peru building planes to be used for training and tourism. He said that he discussed this possible joint venture with his Chilean counterpart in Miami, where they had attended the fourth meeting of American air force commanders. [Buenos Aires LATIN in Spanish 2259 GMT 26 May 81 PY]

COSTA RICA

ECONOMY MINISTRY VIEWS FOREIGN CREDIT ANNOUNCEMENT

PA020120 San Jose Radio Reloj in Spanish 1730 GMT 1 Jun 81

[Text] The Economy Ministry reacted today to a report about extreme caution in credits for our country. It says this is not a U.S. Government measure, but one by the Foreign Credit Insurance Federation. This federation is a private concern and does not determine official U.S. policies.

Our country has renegotiated its foreign debts with 10 banks, which asked only for the signing of the agreement with the IMF as a condition.

This morning Deputy Economy Minister Jorge Cespedes protested a story in a morning paper reporting extreme caution over credits to our country. The newspaper says the U.S. measure consists of reducing credit lines to Costa Rica by 50 percent. This decision was taken by the U.S. Foreign Credit Insurance Federation, Costa Rican Chamber of Commerce Chairman Angel Nieto said today.

Cespedes said the extreme caution over credit to our country is not an official U.S. Government measure, but was decided by a private concern, the U.S. Foreign Credit Insurance Federation. I discussed the matter with Central Bank Executive President Manuel Naranjo and I would like to say that we have not been informed of any reduction or caution regarding credit to Costa Rica.

Cespedes said: We are surprised at this report, which has been made to seem an official U.S. decision and not a decision by a private institution, which is a different matter. Our missions renegotiating our foreign debt in the United States have not had any problems.

The official said 10 banks have agreed to renegotiate and that they only conditioned it to the signing of an agreement with the IMF.

President, Businessmen Meet

PA012341 San Jose Radio Reloj in Spanish 1730 GMT 1 Jun 81

[Excerpt] Representatives of business groups met again with President Carazo and financial sector coordinator Jose Miguel Alfaro. Based on the International Monetary Fund study on the need to reactive the economy, it was decided to create minicommissions with powers to solve any problems that may emerge and implement exports, the chairman of the Union of Costa Rican Chamber (?of Commerce) said.

NATIONAL PROGRESS PARTY CANDIDATE WITHDRAWS

PA012146 San Jose Radio Reloj in Spanish 1200 GMT 1 Jun 81

[Text] Miguel Barzuna announced at the general assembly of the National Progress Party that he has waived the nomination for presidential candidate but will continue as party president. Alvaro Apestegui and Barzuna said they realized that the three existing political parties do not have a chance of presenting a hard fight in the coming elections.

Barzuna wants to form a single party to join the Antiliberation Party group. Apestegui said that Barzuna has given an example of sincerity and lack of personal greed. He said all parties must get together, not only with the National Unity Party but with other groups to beat the National Liberation Party.

ANEP GIVES GOVERNMENT 1 MONTH TO MEET DEMANDS

PA311654 San Jose Radio Reloj in Spanish 1330 GMT 31 May 81

[Text] The special assembly of the National Association of Public Employees [ANEP] last night agreed to give the government 1 month to reply to a list of demands that ANEP will deliver within the next few days. If the government does not answer within this period, ANEP has threatened to call a general strike.

ANEP demands that the government negotiate a new salary increase that will permit the workers to face the high cost of living that resulted from the unfreezing of prices and the devaluation. It also agreed to demand that the prices of staples be fixed and that the charges for public utilities and the price of milk be frozen.

ANEP also demanded that the consumer protection law be thoroughly amended and that the measures affecting the payment of differentials for people working in remote regions, travel allowances and extra hours be revoked.

These demands which the ANEP will present to the central government were approved by its executive committee, ANEP Secretary General Jose Fabio Araya Monge reported.

ANEP also agreed to denounce the divisionist and political nature of the Workers Democratic Front. According to ANEP, the reply of this front to the ANEP proposal to form a single struggle front demonstrates its position which is opposed to unity.

In conclusion, ANEP agreed to issue a call to all the popular organizations to join forces to fight against the increase in the cost of living.

HUGO SPADAFORA DENIED PERMISSION TO ENTER COUNTRY

PA010341 San Jose Radio Reloj in Spanish 0104 GMT 1 Jun 81

[Excerpt] Panamanian guerrilla Hugo Spadafora arrived at Juan Santamaria Airport at 1020 today from Mexico but was unable to leave the airport because immigration officials told him he could not enter the country.

Dr Spadafora initially told our newsmen he had problems entering the country, but he subsequently said he was only in transit and that he doesn't think he had any difficulties entering the country. Spadafora said that he intended to go to Managua. He left for Managua at 1600.

The immigration officials received orders that Spadafora could not leave the airport and that he couldn't even telephone from the airport. Spadafora had to remain at Juan Santamaria Airport for 7 hours until the COPA flight arrived for Managua.

In an interview with Radio Reloj, he said that in Costa Rica as well as the rest of Latin America there are volunteers who will fight in El Salvador to overthrow the government.

Spadafora is leader of the volunteer brigades that will fight governments like those of El Salvador and Guatemala. The former deputy health minister said he would go personally to fight.

EL SALVADOR

MASS TRANSIT PARALYZED IN CAPITAL, OTHER AREAS

PA012335 Paris AFP in Spanish 1524 GMT 1 Jun 81

[Text] San Salvador, 1 Jun (AFP)--The mass transport services are practically at a standstill today in the Salvadoran capital and in other important regions of the country because the owners have declared a strike to demand fare increases and greater economic incentives from the government.

Last weekend The Association of Owners of Salvadoran Buses accepted the mediation of other business groups in the conflict and it was presumed that it had engaged in negotiations with the government. However, at least 90 percent of the transport services have not been operating today.

As the morning hours passed the number of buses in service in the capital seemed to increase, but not sufficiently to satisfy the public's needs.

The armed forces, which promised after the strike was announced that it would adopt the necessary measures to counteract it, limited itself this morning to patrolling the city.

A military spokesman explained, however, that the security corps are on the alert and are awaiting orders.

GOVERNMENT REJECTION OF U.S. PRESSURE STRESSED

PA012311 San Salvador Domestic Service in Spanish 1847 GMT 1 Jun 81

[Station editorial: "El Salvador Does Not Accept Any Kind of Pressure"]

[Text] It has been reported that the U.S. ambassador in Honduras, Jack Robert Binns, said his country is pressuring the Salvadoran Government to negotiate with the leftist guerrillas. This has been flatly denied by the revolutionary junta of the Government of El Salvador, which has reiterated to the world that it absolutely rejects any form of foreign intervention in the domestic and foreign affairs of the Salvadoran people.

The revolutionary junta has asked the democratic people and governments for an opportunity to lead the country on the democratic path and, with that objective, it is promoting the mechanisms of an electoral process that will permit the Salvadoran people to exercise the right to freely elect their next government.

The United States gave the European countries that had just freed themselves from Nazism, fascism and Marxism following World War II the opportunity to establish democratic governments, and this is what the Salvadoran people want.

Elections are the proper road to reach an environment of peace that favors constructive work. Elections reaffirm the democratic process where opposing groups find the support or the rejection of the people without organized violence by those who want to win political power by a bloody war.

At this moment the important thing to do is to define the importance of actions, which must never come from the outside and that must never move to undignified positions or to intervention. In this regard, we must maintain a correct and aware position in line with our condition as a sovereign country.

No foreign pressure will ever weaken the republican spirit we inherited from our forefathers who won national independence. Evidence of this is the fact that we are rejecting the campaign of international terrorism against the Salvadoran institutions and people.

The Salvadoran revolutionary government is aware of the fact that because of national dignity it must reject any foreign meddling in our affairs, because only Salvadorans can and must solve the problems of Salvadorans.

PANAMANIAN, CHILEAN PDC LEADERS SUPPORT GOVERNMENT

PA020106 San Salvador LA PRENSA GRAFICA in Spanish 1 Jun 81 pp 2, 23

[Text] Jose Miguel Fritis of Chile, chairman of the Christian Democratic Youth of America, and Ricardo Arias Calderon of Panama are visiting El Salvador to express their solidarity with the Salvadoran democratic process and to attend the Christian Democratic Party [PDC] of El Salvador's fourth leaders congress.

At a news conference Arias, Panamanian PDC leader, told newsmen that his party has total respect for the Salvadoran PDC, which is the master of its own decisions. However, we do coincide in the ideas we have about society. Panama's PDC is not going to tell the Salvadorans who should solve their problems. We respect the Salvadoran process and we sincerely wish the Salvadoran people every success, Arias said.

He also said he hoped the Salvadoran Armed Forces and other security forces will accept, when the time comes, a democratic government run by civilians.

Arias criticized his country's government, which he called a procommunist dictatorship, adding that the main objective of the opposition in Panama is to be united for the 1984 presidential elections.

On the other hand, Fritis indicated that he was in El Salvador to participate in the Salvadoran congress as a representative of the Continental Christian Democratic parties, thereby expressing their support for the Salvadoran process in its efforts to establish democracy.

Referring to the Chilean Government, Fritis said Pinochet is trying to eliminate the opposition. Asked about Col Abdul Gutierrez' visit to Chile, Fritis said he hoped Pinochet would learn something from him.

Fritis told newsmen that the PDC is against all forms of meddling or mediation in El Salvador. According to Fritis, the only ones to benefit from mediation are the extremist groups, and he reiterated that Salvadoran problems should be solved exclusively by Salvadorans.

DUARTE LAUDS PROPERTY OFFICE, CHIDES LAWYERS

PA300016 San Salvador Domestic Service in Spanish 1848 GMT 29 May 81

[Commentary: "The People Must Decide Their Destiny"]

[Text] Sincere words of appreciation were delivered by Jose Napoleon Duarte, president of the Salvadoran revolutionary government junta, for the work that the Property, Real Estate and Mortgage Registry Office has accomplished. Speaking at the ceremony to commemorate the first centennial of the institution, President Duarte said that this office has an important role in this period of changes in El Salvador, when a new society is being formed based on structural changes in landownership--changes that must take place soon with titles reliably established and assured. To the extent that these changes take place and the titles gained are confirmed, the people will have more confidence in those in power.

President Duarte was accompanied by Jose Antonio Morales Ehrlich, a member of the government junta, the chairman of the Supreme Court of Justice, the justice minister, government officials and other guests.

Addressing a group of lawyers present at the ceremony, Duarte handed them a copy of the bill on the functions of the notary public in the nation's financial system. The bill was submitted to them because so far the junta has been unable to obtain any opinion from the lawyers.

Duarte said that from now on all efforts will be made to create the conditions that will permit the electoral process to elect the members to the national constituent assembly. However, he added, before the elections it will be necessary for all sectors and everyone to cooperate in trying to solve our problems. He said that there is a place in this process for the lawyers which he expects them to fulfill.

We are waiting for the solutions the country needs. To have free elections so that the people can choose the members of the national constituent assembly is one of the most reasonable efforts of the revolutionary government junta. In 1983 power will be handed to whomever the people elect, free from pressures and foreign intervention, because it is up to the Salvadoran people to decide their destiny.

POP ANNOUNCES PARTICIPATION IN 1982 ELECTIONS

PA300151 San Salvador LA PRENSA GRAFICA in Spanish 29 May 81 p 33

[Paid advertisement]

[Text] The Popular Orientation Party [POP] defines its stand on the elections:

The announcement, confirmed on several occasions by the revolutionary government junta, that free elections will be held next March in order to form a national constituent assembly to study and decree a basic statute to rule and regulate the country's institutional life, has created expectation among most citizens who firmly believe, along with the POP, that the time has come for the people to decide at the polls what political, economic and social system they prefer and which rulers are the most suitable.

The reliability of the citizens appointed to the Central Electoral Council, the seriousness with which the armed forces have been enforcing their proclamation and the promptness of the steps being taken to promulgate the provisional law on the formation and registration of political parties have encouraged the POP to make the decision to participate in the electoral process, which it regards as the best republican formula to satisfy the aspirations of our vast majorities.

Finally, the current government's efforts to secure the country's pacification suggest the possibility that the suspended rights and guarantees will be restored soon. In accordance with the POP's doctrine, this condition is essential if free elections are to be held in which the principles of the contending parties must necessarily be debated as well as the merits of those who are nominated.

Due to the above, the POP, which represents an important group of citizens from all social sectors who believe in the advisability of alternating those in power, respect for the republican institutions, the exploitation of our resources and man's work on behalf of all Salvadorans, hereby announces that once again it will appear before the Central Electoral Council to request its registration--denied in the past by the politicians in power at the time--in order to participate later with dignity and with the support of the people in the various forthcoming electoral events.

Peace, organization and progress
[Signed] Popular Orientation Party

RIVERA Y DAMAS APPEALS FOR PEACE IN SUNDAY SERMON

PA312218 Panama City ACAN in Spanish 1744 GMT 31 May 81

[Text] San Salvador, 31 May (ACAN-EFE)--The apostolic administrator of San Salvador today announced the reopening of two of the church's news media and issued an emotional appeal to the parties to the conflict to achieve peace in El Salvador.

In his Sunday sermon at the San Salvador Cathedral, Msgr Arturo Rivera y Damas said the church "wants to contribute to alleviating and shortening the Salvadoran conflict, and that is why I ask for respect for the majority of the people who don't want violence and who do want a return to normal."

"There is a left that is struggling for power and wants to impose its ideology. There is a right that quietly but very effectively wants to recover power and reestablish its ideology," Rivera y Damas said.

"But there is also a government junta and an army that want to implement their ideology. While these parties fight," the monsignor added, "the people are suffering and shedding their blood."

"According to a conservative estimate, more than 6,000 Salvadorans have died so far this year as a result of political violence," Rivera y Damas said. Nevertheless, the legal aid office of the archbishopric, which is an institution at the service of the poor and is financed by the archbishopric, said last week that in the first 4 months of 1981, 7,780 people had died in political violence in El Salvador.

Monsignor Rivera y Damas today withdrew from the legal aid office its function to be a spokesman for the archbishopric in certain legal issues of displaced people or refugees that it usually deals with. He announced that the only official spokesman will be Msgr Freddy Delgado, information secretary.

The apostolic administrator of San Salvador, who replaced the assassinated Msgr Oscar Arnulfo Romero, also referred to the forthcoming reopening of two news media of the Catholic Church, the weekly ORIENTACION and Radio YSAX, which have been victims of right-wing repression.

Rivera y Damas recalled the cases of DIARIO LATINO, LA CRONICA, EL INDEPENDIENTE, ORIENTACION, Radio YSAX and Radio Cadena Central, whose workers, newsmen or owners suffer intimidation, imprisonment or exile. Nevertheless, the apostolic administrator said, it is a positive step by the government to lift the ban on the radio news network "although the stations still cannot give national news and can only provide international news."

At the end of the sermon he asked the rightwing and the leftwing to stop the kidnappings "since these actions increase the country's moral political, social, religious and economic chaos."

RADIO VENCEREMOS CRITICIZES ACTING ARCHBISHOP

PA312017 (Clandestine) Radio Venceremos in Spanish to El Salvador 1400 GMT 31 May 81 [Station commentary]

[Excerpts] We were considerably amazed to read in the local newspapers recently the statements made by the acting archbishop of San Salvador, Arturo Rivera y Damas, concerning violence in our country.

We realize that one of the main concerns of the church during these troubled historical times is precisely the grievous bloodletting our people are enduring. We also remember that when Monsignor Rivera assumed office as acting archbishop of San Salvador he said he would follow the path charted by our unforgettable Msgr Oscar Arnulfo Romero.

When we speak of this charted path we refer to something very clear: Monsignor Romero's line leaves no room for ambiguity. It is a clear and precise fact that he adopted a coherent attitude about the role that the church is supposed to play in situations like the one our people are currently facing.

Definitely, the regime has made no concessions whatsoever as far as its policy of extermination is concerned. On the contrary, we can state most assuredly and with full backing from the people that government repression has grown a thousandfold. Monsignor Rivera y Damas also said that, in his opinion, our forces are trying to prevent the population from regaining their confidence and from looking for ways to return to a normal situation.

We want to believe that these assertions were made out of naivete and not out of malice, because the exact opposite is happening and this fact is known by vast democratic and progressive sectors throughout the world. Any distortion of fact in this connection is absolutely preposterous. It is precisly our vanguard, the Farabundo Marti National Liberation Front, which, listening to the chorus of voices clamoring for a political solution to the conflict and in a bid to spare our already martyred people further bloodshed, has agreed to and made specific proposals to find a political solution to the crisis.

It is a fact that Monsignor Rivera y Damas' statements are a shift away from a neutral position and are so biased and dangerous that they can only result in backing, and to a certain covering up the criminal actions which the paramilitary groups, the security corps and the army carry out daily against our people. We are certain that this type of attitude in no way helps establish the appropriate climate to find a political solution to the present crisis and at the same time ruins the church's chances of really playing a role in the mediation process.

HONDURAS

MANAGUA REPORTEDLY ASKS REGIME TO RESTRAIN FAGOTH

PA011828 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 1 Jun 81

[Text] Today's issue of the newspaper EL HERALDO states that the Nicaraguan Government has asked the Honduran Government not to allow Miskito leader Stedman Fagoth Muller to continue making public statements about the situation of indigenous Nicaraguan groups. The source said that the Sandinist government had asked Honduras to stop allowing the Miskito leader, who is now in Lempiras, to use the communications media to attack the Nicaraguan Government.

Stedman Fagoth Muller entered Honduras 1 month ago, fleeing from Sandinist persecution resulting from conflicts which arose between the leaders of (INFLASAPA) and the Sandinist government which is trying to establish socialism among the 250,000 Nicaraguan Miskitos. According to the source, the Honduran Government replied that within its capabilities, it will prevent Fagoth from demonstrating his disagreement with the political policies of the government of the Nicaraguan reconstruction junta.

OIL REFINERY WORKERS ANNOUNCE MEASURES TO APPLY PRESSURE

PA020243 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 1 Jun 81

[Interview with Jorge Alberto Rojas, president of the Texaco Oil Refinery Workers Union, 1 June in Puerto Cortes--recorded]

[Text] [Rojas] The situation between the Texaco oil refinery and our union is tense. We have severed labor-management relations because of the intransigent attitude assumed by the management.

We have tried to reach a friendly agreement, but our efforts have failed. The company will only recognize 2 months of what it has cheated us, which according to our records add up to 13 years and 5 months. We remain firm in our original position; we are not going to give in if the company does not give in.

[Question] Basically, what is the reason for this problem?
[Answer] The problem started when the company violated article 3, paragraph 3, of the labor law, which clearly establishes that night overtime should be paid according to night wages, but the company has paid it according to the day wage scale. Last April the union discovered the mistake and since then it has been trying to reach an agreement with the company, but all our efforts have been futile because the company refuses to accept our claim. For this reason we have decided to start taking some drastic measures.

[Question] Is it true that you are going to carry out a series of measures to apply pressure today?
[Answer] We do not wish to appear as if we are not serious; we want to be honest with the people. The union has approved a strike which can start at any moment. We do not know exactly when, but everyone is ready to go on strike when we give the signal. We cannot give any more details because of tactical reasons.

[Question] Is it true that you are going to ask the expulsion of a top refinery executive?
[Answer] That is true. We are going to demand that authorities expel the company's assistant manager whom, we have discovered, is against any settlement with the workers, an attitude we consider very provoking to labor-management relations. For this reason we have declared him the enemy of the workers and of our country.

[Question] So far what have the Labor Ministry authorities done to solve the problem?
[Answer] The authorities have been participating at local levels, but at the higher level there has been almost no participation. We have asked the Labor Ministry to intervene but so far nothing has been done to solve the problem. It looks as if they are waiting for us to do something. We feel that if they had wanted to solve the problem, they would have sent a top-level official to try to find a solution.

[Question] Considering that you are working in an enterprise which has a strategic value to the nation, which has been the military authorities' attitude so far?
[Answer] We think that it has been positive. We have held conversations with top military chiefs who have promised to do all they can to find a solution. They seem to understand how important is our job for the nation's development.

NEW 'ANTIREPRESSION' ORGANIZATION ESTABLISHED

PA020406 Paris AFP in Spanish 2324 GMT 1 Jun 81

[Text] Tegucigalpa, 1 Jun (AFP)--The formation of a People's Front Against Repression [FPR] was announced here today by several labor unions.

Spokesmen of the new organization, whose establishement was decided last Saturday, stated that their wish is to "develop an active campaign against arbitrary arrests." Today the FPR accused the government police of persecuting members and leaders of the labor groups.

The new organization includes the United Federation of Honduran Workers [FUTH], The Honduran National Peasant Unity Front, the Teachers Unity Front, the Honduran Federation of University Students [FEUH] and the Federation of High School Students [FESE].

The FPR spokesmen revealed that within a few days they will begin public demonstrations "to demand the release of several people, labor and student leaders imprisoned in this country who have been considered political prisoners."

Wilfredo Gonzalez, secretary general of the FEUH and the FESE, announced: "We report the true human rights situation in Honduras to various international organizations. We will immediately wage an open struggle in this country against the abuse committed by the military intelligence investigations department leaders, who are repressing the people's organizations."

BRIEFS

IRAQI DELEGATION--The Iraqi delegation that is touring Latin America to explain Iraq's position in the dispute with Iran arrived in Honduras last night. The delegation, which consists of the Iraqi ambassadors to Brazil and Jamaica, has also visited Costa Rica, Paraguay and other countries in the region. [Baghdad Domestic Service in Arabic 1130 GMT 28 May 81 GF]

NICARAGUA

SALVADORANS REPORTEDLY SEIZE TWO FISHING BOATS

PA011417 Managua Radio Sandino in Spanish 1200 GMT 1 Jun 81

[Text] Two Nicaraguan fishing boats that were sailing in Nicaraguan territorial waters in the Gulf of Fonseca were captured by the Salvadoran Coast Guard without any provocation on the part of the Nicaraguans, who were peacefully fishing.

The "Pancasan" and the "13 de Julio" were seized by the Salvadoran Coast Guard boats which were armed to the teeth, under the pretext that the Nicaraguan boats were sailing in Salvadoran waters.

The captain of one of the patrol boats ordered the Nicaraguan sailors to undress and to lie face down so they could be checked. He then asked them which ones were Cubans and which ones were Nicaraguans. Of course, there were no Cubans on the Nicaraguan fishing boats.

This is yet another provocation by the henchmen at the service of the military-Christian Democratic junta which is accused of being the worst genocidal regime ever seen in Latin America.

ROBELO FAVORS PARTICIPATION IN NATIONAL FORUM

PA012243 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 1 Jun 81

[Panel discussion featuring Alfonso Robelo, leader of the Nicaraguan Democratic Movement, and Reinaldo Antonio Tefel, director of the National Social Security Institute--live]

[Text] [Passage indistinct] [Moderator] Let us discuss the forum because that is why we are here. I would like to stress the trust the people are placing in the forum as a means to solve the country's problems and to achieve unity [words indistinct].

[Robelo] When a door is opened--even if one has doubts about the persons who are opening the door and their background so far--the logical, patriotic and Nicaraguan thing to do is to enter. The Nicaraguan Democratic Movement and the non-Marxist parties of Nicaragua are willing to enter these talks with pride, patriotism and without abandoning our principles. We are not good at abandoning our principles.

[Moderator] What do you mean by abandoning your principles?
[Robelo] Completely yielding to the will of the Sandinist National Liberation Front (FSLN).

[Moderator] [Words indistinct]
[Robelo] [Words indistinct] to obey orders like all the government does. [Words indistinct] this is our stand. We have clear positions. We do not obey the National Directorate; we have our own way of doing things.

I mean there is a problem that, although it is outside of the topic of the forum, it is a reality; revolution is seen as if it were the same as the FSLN. But this is not true. The revolution created a government program precisely so as not to have the problems that we have today and to carry out that program. It was a revolution based on three things: nonalignment of foreign policy, a mixed economy and an effective pluralism and not a fake pluralism. So I feel that if these points were respected and we, the original junta members, were given the position of leaders of a government without the imposition of decisions such as the vote on Afghanistan at the United Nations, which came from the National Directorate, things would have been different.

[Moderator] But you accepted it.
[Robelo] I accepted it because--I did not accept it. What happened simply is that after the entire junta agreed to condemn the Soviet invasion of Afghanistan, on Monday when we came to work we received the report that the National Directorate had already sent instructions directly to the Nicaraguan ambassador to the United Nations, going over the junta decision. There are persons who know that this is true. They wouldn't let me lie about this. So this type of thing is what makes you realize that here in Nicaragua, if you do not submit and become aligned you begin to receive [words indistinct].

[Moderator] [Words indistinct]
[Tefel] I reaffirm that the Sandinist people's revolution has not been taken over by the FSLN, as Alfonso said. It is led by the front. There are other parties, such as the Liberal Independent Party, the People's Social Christian Party and the Socialist Party, which are part of the government and are part of the revolution. There are large social forces which make up this revolution and during the insurrection other forces participated. Now the FSLN, with this opening of the forum, is calling on all dissident forces to contribute to the economic reactivation, to the defense of sovereignty and to the reconstruction of the nation.

[Moderator] I am very grateful for your participation. Good evening and thank you for coming, Engineer Robelo and Mr Tefel.

POLICE ARREST GROUP FOR PLOTTING AGAINST MILITIA

PA020333 Paris AFP in Spanish 2213 GMT 1 Jun 81

[Text] Managua, 1 Jun (AFP)--Nine persons were accused today in Chinandega, 130 km west of Managua, of planning to ambush a militia battalion and of attacking one of the units in that city.

District Attorney Armengol Cuadra pressed charges at the local criminal court, according to the law on the maintenance of public order, which establishes penalities of up to 5 years in prison for cases as this.

According to the records, the defendants were captured while planning to ambush militia Battalion 40-17 and also planning to attack Unit PA-2, guarded by another battalion in the city of Chinandega.

The defendants were identified as Ramiro Cardenas, Guillermo Picado, Teodoro Hernandez, Jose Dolores Castillo, Roger Herrera, Gervasio Garcia, Noel Duran, Reinaldo Rodriguez and Rodrigo Ruiz.

The group received military training on a farm near Chinandega and asked several persons for financial support, which they did not receive, according to the testimony of witnesses presented today by prosecutor Armengol Cuadra.

Police also arrested Salomon Garcia, Social Christian Party leader, in Chinandega, along with Jaime Lau and Humberto Romero, apparently involved in the plot.

At least five other persons in the Chinandega area are wanted by police in connection to the same plot, the newspapers reported.

BARBADOS

BRIEFS

ZAMBIAN HIGH COMMISSIONER--Bridgetown, Barbados, 1 Jun (CANA)--The new Zambian high commissioner to Barbados, Lt Gen Benjamin Mibenge, presented his creddentials today to the Barbados governor-general. [Bridgetown CANA in English 2016 GMT 1 Jun 81 FL]

JAMAICA

ENVOY TO CARICOM STATES ON RELATIONS WITH CUBA

FL251241 Bridgetown CANA in English 2231 GMT 23 May 81

[Text] St Johns, Antigua, 23 May (CANA)--Jamaica's economy is recovering from its "shambles" and could record a three per cent growth at the end of this year, Jamaican High Commissioner Gordon Wells said. The new 698 million dollars (U.S.) agreement with the International Monetary Fund (IMF), a balance of payments loan," has provided the platform for the government to launch its program of economic recovery," Mr Wells, Jamaica's high commissioner to Caribbean Community (CARICOM) states, said.

Mr Wells, who is based in Trinidad, represented his country at the sixth annual CARICOM labor ministers conference which ended here Thursday. He said that since last October's elections, which ousted the socialist Michael Manley administration and installed Edward Seaga's Labor Party, the mood of the business and industry operators had become "very optimistic". Since then, Jamaica had been able to secure enough foreign exchange to purchase imported raw materials for industry, Mr Wells said.

Wells added that the economic situation in Jamaica has been improving and "there are all indications that it could record genuine growth in the vicinity of three per cent at the end of the current year after being at zero for a number of years." He added: "This was evidence that the business and private sector community feel more confident with the Seaga government."

The high commissioner did not believe that it was a matter of political ideology that caused the Jamaican economy to fail under the democratic socialist government of former Prime Minister Manley. He said that he felt personally that "it was more a problem of lack of foreign currency needed by the industry operators to purchase raw materials, resulting in a loss of faith in the government...loss of faith in the government, massive unemployment in every sector." Wells said: "The massive swing to the JLP in the last election was not necessarily due to ideological preference either, but that the electorate voted overwhelmingly against hungry bellies."

On the subject of foreign policy, Wells said that the JLP government would maintain its independence and sovereignty and would also maintain a policy of nonalignment and good relationships with all friendly governments. But he said "there will be no special relationships like those the former government had with countries like Cuba." In fact, he said, "while Jamaica will maintain diplomatic relations with its communist neighbor, the technical assistance program negotiated with Cuba by the PNP government" is gradually winding down and there was no clear indication that it will be carried on permanently.

ENVOY TO UN VIEWS POSITIONS OF SEAGA GOVERNMENT

FL261835 Bridgetown CANA in English 1827 GMT 26 May 81

[Text] Kingston, Jamaica, 26 May (CANA)--The difference between the former Michael Manley government here and the 7-month-old administration of Prime Minister Edward Seaga will be "more of style than substance", the Jamaican ambassador to the United Nations, Sir Egerton Richardson, has been quoted by INTER-PRESS SERVICE (IPS) new agency as saying.

In a dispatch from Washington, IPS quoted Sir Egerton as saying that there was a great deal of "misconception about the character" of the Seaga government which came to power after the defeat of Manley's democratic socialist People's National Party (PNP) administration last October.

Mr Seaga campaigned for a strong free enterprise economy, and for a close alignment with the United States, and his government has generally been characterized as right-wing. But according to IPS, Sir Egerton said that the defeat of the Manley government did not mean that the people were turning their backs on the social programs it introduced during its 8 years in office. They may be "strong willed right-wing people who wanted to turn back the changes, but this was not the view of the government," he was quoted as saying.

"The main difference will be the manner in which the JLP programs are pursued and the resources that are committed to them," Sir Egerton said.

He was also quoted as saying that Jamaica did not consider the Maurice Bishop regime in Grenada as being communist, and agreed with an IPS suggestion that Bishop's aim was self-reliance for the Grenadian people. The only criticism of Prime Minister Bishop in Jamaica was his government's failure to hold elections following the revolutionary taking of power from Eric Gairy in March 1979, he said.

On Cuba, he said present strained relations between Havana and Kingston stemmed from the "diplomatic improprieties" of former Cuban Ambassador to Jamaica Ulises Estrada. Mr Estrada was recalled after Mr Seaga, in his first act as prime minister, told the Cuban Government that the diplomat would not be welcomed here.

Sir Egerton said too that most people felt that Manley and Cuban President Fidel Castro "had become too close" and that Cubans in Jamaica had been given a "free run of the country." Despite this, the diplomat felt that the Jamaican people wished for good relations with Cuba.

IPS said that Sir Egerton stressed that the fight for a New International Economic Order (NIEO)--a major preoccupation of the Manley government--was important for countries like Jamaica and he regretted that the United States had put this debate and other important questions, such as the Law of the Sea, in "cold storage" while the Reagan administration reviewed its policies.

IPS said Sir Egerton's comments were made during his first meeting with United Nations correspondents.

A source close to the state-run Agency for Public Information (API) said government was checking with its New York office in an attempt to get full details of the ambassador's statement.

Sir Egerton, 70, is on his second tour of duty at the United Nations, having recently succeeded Don Mills who was replaced following Manley's defeat.

PNP ACCEPTS MANLEY'S CONDITIONS FOR HIS LEADERSHIP

FL181950 Bridgetown CANA in English 1847 GMT 18 May 81

[By Paget Defreitas]

[Excerpts] Kingston, Jamaica, 18 May (CANA)--"The executive of Jamaica's opposition People's National Party (PNP) has accepted Michael Manley's conditions for staying on as party leader, PNP sources said here today. The PNP's 200-member National Executive Council (NEC) yesterday unanimously endorsed his leadership, after hearing an outline of the conditions that must prevail for Mr Manley to remain at the helm of the party he has led since 1969, including 8 and 1/2 years in government which ended last October.

Mr Manley, 56, threw the party into a leadership crisis in February, when he sent his resignation to the NEC, saying that if it was rejected he would remain as leader only under conditions he would outline. Although the NEC at that time did reject the resignation, Mr Manley was not satisfied with the less than unanimous endorsement he received, forcing the body to vote again yesterday.

According to party sources, a confrontation that was expected yesterday did not materialize, and the future direction of the party was not fully clarified. The PNP has promised to issue a full statement on the session following a meeting tonight of its executive members.

Party sources say there are indications that Mr Manley is intent on pulling the PNP more to the center, and that he has the support of moderate figures, such as former deputy prime minister and minister of foreign affairs, Percival Patterson.

Mr Manley recently told CANA that he fully supported the PNP's principles of democratic socialism and that he would not want to remain as leader if those were altered. And according to the PNP sources he repeated this to the NEC. The sources said that he identified Jamaica's disastrous economic situation as the key reason for the PNP's October election defeat.

Mr Manley is reported to have called on the PNP to make a clear distinction as to the essential differences between itself as a democratic socialist party and the communist WUJ [Workers Party of Jamaica]. But to do this, he said, the party could not take what he called a "crude anti-communist line."

Mr Patterson was said to have told those with "extreme scientific socialist and capitalist beliefs" they could leave the party.

The sources said that the National Executive Council planned to meet again next month, when it is expected that concrete decisions will be taken on the party's future direction.

ST LUCIA

PARLIAMENTARY SESSION MARKED BY INCIDENTS

FL262355 Bridgetown CANA in English 2344 GMT 26 May 81

[By Guy Ellis]

[Text] Castries, St Lucia, 26 May (CANA)--St Lucia's tense political climate was tested today as a new session of Parliament was opened and Prime Minister Winston Cenac presented the ruling Labor Party's second fiscal budget in less than 2 months. The first budget was defeated in the House of Assembly 14 April after which then Prime Minister Allan Louisy resigned.

Acting Governor General Boswell Williams--the man who spearheaded moves to keep the Labor Party in power after Louisy's resignation--was booed and jeered when he arrived at the House of Assembly to deliver the traditional throne speech and open the new parliamentary session.

Outside Parliament buildings, crowds had gathered in response to the request of the small recently launched Progressive Labor Movement (PLP) of former Foreign Minister George Odlum. Sections of those present booed and shouted slogans at members of the ruling party.

A special police detachment armed with batons had to be called in to control the crowd and PLP Chairman Antonius Gibson was involved in a heated exchange of words with policemen. He was restrained by Odlum.

While Williams was addressing Parliament, PLP deputy political leader Mikey Pilgrim, industry minister in the Louisy administration, charged into the building and grabbed the microphone from Williams shouting that the police were using force against the people outside. Pilgrim was escorted away by a policeman and Williams proceeded with his address as if nothing had happened.

During a short recess after Williams address, Odlum took his chair and placed it on top of the table where the 17 elected members of the House sit. The chair was taken down by a policeman.

The main opposition United Workers Party (UWP) of former Prime Minister John Compton, which has five seats in the House, boycotted the session.

The PLP holds three seats in the House. The party was formed after Odlum and his supporters declined to serve in the new Labor cabinet under Cenac.

Outside the House, a female supporter of Foreign Minister Peter Josie, a former close aide of Odlum, who remained with the PLP after the new prime minister was announced 5 May, was allegedly attacked and beaten by PLP supporters.

Despite the incidents, the proceedings of the House went ahead without interruption. Williams, in his address, referred to the recent political crisis in the country and called on St Lucians to "stop being the worse enemies of one another."

He announced plans for the appointment of an integrity commission and ombudsman during the current parliamentary session and warned that the government would take all necessary steps to maintain law and order in the country. Said Williams: "My government will not flinch from coming to Parliament for whatever powers are constitutionally necessary to enable it to carry out its duties of protecting the fundamental rights and freedoms of all citizens."

Mr Williams said that legislation dealing with housing, land tenure and international shipping would also be presented to (?parliament).

He revealed that the government had signed a preliminary agreement with a foreign investor for a second oil project for the island and stressed the need for stability in the country saying: "Events of the past months seriously jeopardized negotiations for the establishment of this installation. Further internal disharmony and disquiet of a kind indicating a propensity for serious continuous upheaval will spell the end of it."

Mr Williams said that in an effort to expand its government effort rapidly, the government proposed to introduce new legislation which would have the effect of increasing opportunities and incentives for large and small scale investment and deal with unemployment and inflation in a systematic way.

ST VINCENT

DEPUTY PREMIER VIEWS BENEFITS IN OECS MEMBERSHIP

FL290140 Bridgetown CANA in English 0134 GMT 29 May 81

[Excerpts] Kingstown, St Vincent, 25 May (CANA)--The government of St Vincent sees joint defense and security as the main benefits of participating with its neighbors in the Organization of Eastern Caribbean States (OECS) to be launched 4 July. This assessment was given here in an interview by deputy prime minister and minister of foreign affairs, Hudson Tannis.

Following is the interview with Mr Tannis, part of a series to focus attention on the new regional developments:

[Question] What value do you see in the OECS for St Vincent and the Grenadines?

[Answer] I am a committed integrationist and I believe that it is true to say that the entire government of St Vincent is committed in this direction. Since the objective of the OECS would be to bring these territories closer together, I support the concept fully. If anything, it is a bit too late in coming.

[Question] How can it help St Vincent and the Grenadines in the area of foreign policy and the conduct of foreign affairs for instance?

[Answer] I think that it would be very useful in the direction of foreign policies... If we can speak with one voice, I believe that people outside would give greater recognition to what we have to say than if we appear on important issues to be speaking in conflict with each other.

[Question] You are going to have joint diplomatic representation at least in some capitals and in some international organizations. How does that help the people of St Vincent?

[Answer] If we have a spread of joint diplomatic representation, it would mean that it is going to reduce the cost, in the first instance, to us as a country in trying to give effective representation to our nationals in the many areas where they are at present and where they would need representation.

[Question] Does the conduct of foreign policy really help a state, though. People have said, of course, that foreign affairs is not something that mini-states in the Caribbean should get involved in. As foreign minister of St Vincent and the Grenadines what is your reaction to that concept?

[Answer] I do not agree with those people who express that point of view. I would say this, there are many issues in the world that small states should not bother to get themselves involved in because it is totally irrelevant to their own need and the problems of their own area. But certainly in a body such as the United Nations, the influence that the foreign representation of the country can bring to bear is going to be a tremendous benefit to a particular country, however small. There are many areas, for example, in matters of environmental control, matters of oil pollution, matters of the Law of the Sea, all these areas are just as important to us in a small state as they would be to big countries like the United States of America, the United Kingdom, Canada, and the Soviet Union.

[Question] Of course, the other point of view that has been put about is that the OECS is not going to be able to harmonize its foreign policy even though the treaty seeks to do that, because of the ideological difficulty with at least one of the member states. What is your reaction to that?

[Answer] I think that in the world many of us are increasingly coming to believe that there would always be the situation where there would be differences in the concepts, even in this region, of ideologies. What we have to search for in our foreign policy direction are the areas in which we can find common interest, common ground for reaching a consensus, and work on those gradually...but once we can find common grounds for consensus, we build on those and we hope that gradually either group would see the other's point of view, one way or the other.

[Question] Do you believe that the economic structure of the member states, still permits economic integration to take place regardless of ideologies?

[Answer] I believe, yes, once certain basic ingredients exist, once there is a right to free access to the market of each other, once there is a right to free movement of people between each other. Once there is a right to expression of views without any restraint on that freedom of speech, I foresee no real problem. I think that if any member territory tries to impose conditions that are not accepted in the others then the principle of reciprosity would apply, that if you impose restrictions in your market against goods from my area, then I would be compelled to impose certain restrictions on goods against your country until you come to the realization that common economic policy or common trade policy is what is essential and what is important.

[Question] What about the business of the coordination of defense and security. What is your own government's reaction to that concept?

[Answer] We feel that there is need for some security force in the greater region, that is the OECS as a policeman to (?guarantee) certain rights the people should have, and they are basic rights...I believe that people should have the right to accept or reject a government as and when they wish, and they should be given that right and I don't believe that right should be taken away from people easily.

Sometimes it is contended that changes come about because that is what the people want, but it is known that probably five, twenty men can men can impose their will and with the passage of time it is believed that is what the people want, but it is not necessarily so: People respect the effect of guns and so they may remain acquiescent, not necessarily satisfied, with what's taking place. So I believe to prevent all of this, it is necessary to insure peace and good government and order in the region upon which progress and advancement would be built.

[Question] But defense and security coordination touches on peaceful purposes as well. For instance, it would be geared for search and air rescue operation, for activities against smuggling and for protecting the resources of the sea.

[Answer] Yes, this would be the major aspect of the coastal part of it. Take, for example, the coast guard--the value of the coast guard services is really to insure that one has a certain degree of control over one's territorial waters. It is ridiculous to have territorial waters and anyone can come and poach in your waters and you can do nothing about it. If you didn't have a coast guard to discourage people from poaching in your waters or people from bringing narcotics--marijuana, cocaine--or from smuggling generally, it would affect the economy of your country...and there is a lot of smuggling in all these areas.

[Question] Do you believe it is possible that sometime in the future, after the OECS gets off the ground and is functioning, for coordination of defense and security to go beyond the LDCs [Less Developed Countries] and to embrace the other CARICOM countries as well?

[Answer] I think this would have to take probably a greater thinking on it, because some areas, like Guyana, are so far from us that it is difficult to tie in their coastal system with ours. It may be easy for the Trinidad and Tobago coast guard system to be tied into a broader regional thing of the LDCs than for example Guyana or even Jamaica, which is much further to the north.

It may be that Jamaica and the Bahamas could tie themselves into a coastal patrol system which would have a greater effective meaning than one tied in with us in the more southerly Caribbean territories.

[Question] If they could not achieve a situation in which there is some joint operation, which I think is what you are describing, could they not have a situation in which you share intelligence and experiences with the countries that are to the far north and to the south, for your own benefit?

[Answer] Yes, I think that apart from intelligence, we can work out arrangements to share the sort of maintenance facilities which it is not necessary to duplicate in all the areas. In sharing intelligence information, I think it is to the mutual benefit of all of us that it be done, because if we can say--for instance, to Saint Lucia--we have spotted a possible narcotics boat which has been chased out of our sector into your sector, it may save them the problem of having to wait until they find that the drugs have landed on their shore to be on the alert, to chase them or keep them away or capture them. In this way, intelligence would be of importance, and the dissemination of it between ourselves.

[Question] This organization comes after 14 years of serious functional cooperation and common services among the LDC's. Does this background give you the feeling that the political will exists among the LDC's to make the OECS something that is really viable?

[Answer] I think there is the will. We realize that we have to start off in a practical way, loosely, not tightly at the head, because it tends to make people shy away. I feel that gradually people will realize that after so much of the separate authority in each unit state has been absorbed in a centralized position, that it is just as cheap to centralize the whole thing.

UPM CALLS FOR RESIGNATION OF ENTIRE CABINET

FL261528 Bridgetown CANA in English 1523 GMT 26 May 81

[Text] Kingstown, St Vincent, 26 May (CANA)--The resignation of St Vincent [Minister of Health] Randolph Russell has evoked a call from the small opposition United People's Movement (UPM) for the "resignation of the entire ruling St Vincent Labor Party government." The UPM's general secretary, Renwick Rose today said that "Russell's resignation is like the tip of an iceberg". He attributed the action to what he called "the development of a series of crises in the country."

Mr Rose said that the country's economic crisis is visible in every sphere of the country. "Never has the suffering of the poor and working people been as great as it is today," Rose said. The general secretary charged that Russell's resignation was apparently based on the government because of dissatisfaction with the pace of the island's development. Deputy leader of the People's Democratic Movement (another small party), barrister-at-law Parnell Campbell, viewed the minister's resignation as being related to "the government's adoption of an authoritarian trend." Mr Russell's resignation, Mr Campbell added, "has clearly proved the point that the economy is stagnating and that the government has no discipline or coherent answer to the social and economic malaise confronting the nation." The resignation will not topple the government necessarily, but it will provide us with a real hope that others will in time show the enlightment of which Mr Russell's resignation provides evidence, Campbell said.

VENEZUELA CLAIM PROMPTS REVISION OF BUDGET

FL020000 Bridgetown CANA in English 2350 GMT 1 Jun 81

[By Sharief Khan]

[Text] Georgetown, Guyana, 1 Jun (CANA)--The Guyana Government today presented the National Assembly with a revised 1981 national budget to help the country meet what the administration says is a campaign of aggression from neighboring Venezuela which claims about 5/8's of this republic.

The proposals include a 64 million Guyana dollars (one Guyana dollar equals 39 cents U.S.) cut in overall public expenditure, originally estimated at 598 million dollars (G) this year, removal of subsidies from flour and rice, the slapping of consumption taxes on imports, including food items, gasoline and kerosene, and increased highway tolls and waterway fares.

Vice president for economic planning and finance, Desmond Hoyte, presenting the revised budget, also announced that government was untying the local currency from the U.S. dollar and disclosed new exchange rates for the Guyana dollar against Caribbean and U.S. currencies.

The new rates which become effective tomorrow fix the Guyana dollar at 80 cents (TT), 67 cents (BDS), 90 cents (EC), 59 cents (J) and 33 cents (U.S.).

Hoyte said the external value of the Guyana dollar will now be linked to a basket of currencies which include the Trinidad and Tobago dollar, the pound sterling, the Deutsche mark, the U.S. dollar and the Japanese yen.

Foreign Minister Rashleigh Jackson also notified the Assembly today that the government intended to introduce a motion in the House on its relations with Venezuela. He told CANA that discussions were being held with leader of the major opposition People's Progressive Party (PPP) Cheddi Jagan on [the] Venezuelan claim. Dr Jagan confirmed he was involved in discussions with the government on the issue, but said his party's support of any motion in the Assembly would depend on what agreement they reach in the talks.

While rejecting the Venezuelan claim, Dr Jagan's party has accused the government of whipping up an unnecessary "war hysteria" over the issue and alleged the state was using the controversy as a cover to impose harsh economic measures on the nation.

In a motion asking the assembly to adopt the revised budgetary measures (a mere formality since the government was a 2/3's majority in the Assembly), Mr Hoyte accused the Venezuelan Government of embarking on a "course of economic aggression" against Guyana.

And he said the major adjustments to the budget had become imperative to "enable the country to sustain a viable and financeable capital program for 1981-82, protect the jobs of the Guyanese working people and maintain the social services while at the same time ensuring the necessary flexibility to meet the cost of preserving our territorial integrity."

He said the Venezuelan claim, which dates back to around the end of the 19th century, had imposed "a grave and serious financial and economic burden" on Guyana. He also accused Venezuela of mounting "a frenzied campaign to stop the flow of development finance into our country from institutional and other sources."

According to Hoyte, the new measures are to help ensure that the local economy did not "distintegrate under the Venezuelan pressure and that we can continue to finance our development program." The debate on the new measures begins on Thursday.